

HOME ELEVATIONS – EXTENSION OF WAIVER OF INSURANCE AND BONDING REQUIREMENTS

On October 1, 2014, all home elevation contractors were required to register with the Division of Consumer Affairs (Division) and maintain \$500,000 per occurrence of commercial general liability insurance, as required of all home improvement contractors, and a minimum of \$1,000,000 per occurrence of cargo or other insurance that specifically covers damages or losses to the homeowner, lessee, tenant or other party resulting from home elevation activities.

On May 18, 2015, the adoption notice containing the readopted new and amended rules was published in the New Jersey Register. Under the readopted new and amended rules, home elevation contractors will be required to maintain:

- (1) \$1,000,000 per occurrence of general commercial liability insurance (including the \$500,000 of coverage required for all home improvement contractors) with an aggregate limit of \$2,000,000;
- (2) Cargo or similar insurance protecting the homeowner's, lessor's, or tenant's personal property in the minimum amount of \$50,000 per occurrence, with a minimum aggregate amount of \$200,000;
- (3) Riggers, care, custody or control, or similar insurance protecting the dwelling and other structures being elevated in the minimum amount of \$500,000 per occurrence, with a minimum aggregate amount of \$2,000,000;
- (4) Insurance protecting the homeowner, lessor, or tenant from losses not caused through any fault of the contractor in the minimum amount of \$500,000 per occurrence, with a minimum aggregate amount of \$2,000,000;
- (5) Commercial auto liability insurance in the minimum amount of \$1,000,000 per occurrence;

(6) Any additional insurance required by law, including, but not limited to, workers compensation insurance; and

(7) Proof of bonding capacity of at least \$500,000, and outstanding payment and performance bond or bonds in favor of the homeowner, in the minimum amount of the value of the home elevation project, to be maintained for the duration of the project.

The Division previously notified all registered home elevation contractors and all pending applicants for registration as a home elevation contractor that the requirements set forth in (1) through (7) would be waived until December 14, 2015. In order to provide home elevation contractors with additional time to obtain the insurance set forth in (1) through (6) above, and to provide the Division and the Department of Banking and Insurance with sufficient time to review the policies to determine compliance, the Division is extending the waiver for compliance with the new insurance requirements until January 29, 2016. Until then, all home elevation contractors must continue to maintain \$500,000 per occurrence of commercial general liability insurance, as required of all home improvement contractors, and a minimum of \$1,000,000 per occurrence of cargo or other insurance that specifically covers damages or losses to the homeowner, lessee, tenant or other party resulting from home elevation activities. The Division is extending the waiver for compliance with the bonding requirements until further notice.

The Division will also extend the deadline for renewal of the home elevation registration from March 31, 2016 to April 30, 2016.